

The Voice of Business in Idaho®

February 23, 2006

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DEPARTMENT OF ENVIRONMENTAL QUALITY MATERIA OF PROGRAM

Martin Bauer

Idaho Department of Environmental Quality Administrator, Air Quality Division 1410 N. Hilton Boise, ID 83706

Re: Visibility State Implementation Planning and Regional Haze Rulemaking

Dear Toni and Martin:

I am writing to you on behalf of the members of the Idaho Association of Commerce and Industry (IACI) to share our observations about the Idaho Department of Environmental Quality's (IDEQ) approach to implementing the requirements of Clean Air Act Section 169A, Visibility Protection for Federal Class I Areas and the associated rules promulgated by the Environmental Protection Agency ("Protection of Visibility" program). IACI is the leading trade association of Idaho business consisting of almost 300 members engaged in diverse industrial and commercial enterprises, including manufacturing. A number of IACI members will be impacted by the Regional Haze Negotiated Rulemaking under the Protection of Visibility program and, therefore, have substantial interest in the outcome of this process.

Several IACI members attended the February 7, 2006 meeting at IDEQ, which marked the beginning of IDEQ's Regional Haze Rulemaking. Based on the discussion during this meeting, IACI members observed that the visibility planning and negotiated rulemaking processes as presented by IDEQ will not produce a timely visibility plan for Idaho that can successfully achieve the desired goals. IACI urges IDEQ to promptly exercise its authority to establish a liaison with other departments and governments, and to work with the legislature to effectively implement this important visibility plan.

IDEQ acknowledged during the February 7, 2006 meeting that there are numerous moving pieces that must come together for Idaho to submit an effective state implementation plan ("SIP") for visibility by December 17, 2007. In particular, EPA's regulations require that Idaho's long-term strategy for addressing regional haze include consideration of measures to mitigate impacts of construction activities, smoke management for both agricultural and forest

burning, mobile source emissions and implementation of the Best Available Retrofit Technology ("BART") program for BART-eligible stationary sources. IDEQ may also consider an alternate cap and trade program that will achieve the same reductions as BART. See 40 CFR § 51.308. Consideration, regulation and implementation of these plan elements necessarily requires cooperation with numerous state and federal agencies, as well as significant public involvement in the development of related policies and practices. In addition, components of the SIP may require state legislation in lieu of, or in addition to, agency rulemaking. It is unclear how IDEQ is currently communicating and coordinating to address these multiple components. At this time only the BART element appears to be the focus of IDEQ's resources. A complete assessment of the visibility impacts from all of these sources is needed prior to selecting the appropriate control measures.

IDEQ's focus on implementation of the BART component is particularly disconcerting considering IDEQ's acknowledgment that implementation of the BART component alone will not achieve the required visibility goals. In fact, IDEQ confirmed at the recent meeting that even if all BART-eligible source emissions were reduced hypothetically to zero, Idaho could not achieve the visibility goals without implementation of controls on the other plan elements (e.g., construction activities, smoke management for both agricultural and forest burning, mobile source emissions).

With respect to BART implementation, IACI understands that this element is required, but observes that IDEQ may have prematurely ruled out alternatives provided in the regulations, such as implementation of an emission trading program or other alternative that will achieve the same or greater emission reductions than a traditional command and control approach to BART. Although IDEQ noted the potential use of a "cap and trade" program in two presentations to IACI, IDEQ did not communicate to IACI the need to engage in discussion of these alternatives prior to the initiation of this negotiated rulemaking. IACI understands that there are now time constraints in determining whether to adopt an alternative approach. IACI is willing to assist IDEQ in exploring these alternative options further.

Another related observation involves the timing set forth by IDEQ to complete the current negotiated rulemaking. As announced at the recent meeting, draft rules are to be prepared for review by the Board of Environmental Quality by July 15, 2006. IDEQ did not outline any parallel timeframe for the work required to prepare other inter-governmental, inter-agency or legislative elements of the plan. IACI members are willing to work constructively and diligently through this process, but observe that this schedule is untenable in light of the multiple moving pieces and diverse stakeholders.

IACI supports work that will result in a successful Visibility SIP. IACI encourages IDEQ to reallocate its resources more broadly to produce an effective plan. Continuing the negotiated rulemaking with only a narrow focus on the BART element, however, does not meaningfully engage the necessary stakeholders. IDEQ does not appear to have a plan to address the remaining essential components of the SIP within the timeframes proposed. IACI urges IDEQ to use its authority under Idaho Code 39-105(3)(c) to take a leadership role in bringing together the various state and federal agencies as part of a collaborative planning process. Initiating this collaborative planning process now will increase the likelihood of success under the future SIP.

Toni Hardesty, Martin Bauer February 23, 2006 Page 2

IACI and its members are willing to assist, as appropriate, to enable IDEQ to be successful in this effort. IACI requests to include this overall approach as an agenda item for IDEQ's next Regional Haze meeting on February 28, 2006.

Very truly yours,

Richard R. Rush

Vice President, Natural Resources